REPORT
OF THE INTERDEPARTMENTAL COMMITTEE
ON PAY EQUITY

WOMEN'S DIRECTORATE
PROVINCE OF NEW BRUNSWICK

DIRECTION GÉNÉRALE DE LA CONDITION FÉMININE
PROVINCE DU NOUVEAU-BRUNSWICK

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REPORT

OF THE INTERDEPARTMENTAL COMMITTEE

ON PAY EQUITY

GOVERNMENT OF NEW BRUNSWICK

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Executive Summary

An Interdepartmental Committee was established by Premier McKenna to make recommendations for implementing pay equity in Part I of the New Brunswick Public Service. The committee includes representation from Board of Management, the Departments of Finance, Health and Community Services, Attorney General, Transportation and the Women's Directorate as chair.

Within the framework of specific guiding principles, developed by the committee, recommendations are made regarding definitions, method of implementation, administration and timing. The following brief overview of the implementation and application of pay equity in Part I of the New Brunswick Public Service are based on the committee's recommendations that:

- Pay equity proceed through the enactment of legislation and implementation be achieved through a negotiated process involving the employer, existing bargaining agents and representatives of non-unionized employees.

- The first stage of pay equity be achieved within 12 months of proclamation through joint negotiation among the parties in order to select a single gender neutral job evaluation system and identify predominantly female and male job classes.

- After this procedure, a maximum of 12 months be allowed for a second stage to apply the job evaluation system and reach agreement on the allocation of adjustment dollars among the employee groups.

- Within 3 months of allocating adjustment dollars pay equity payments to individuals be finalized by independent negotiations between the employer and each employee group.

- Impasses among the parties at any of the stages are to be resolved by binding arbitration.

- The program applies to job classes with 10 or more employees that are female dominated (defined as 60% or more of incumbents being women) in comparison to classes with 10 or more employees that are male dominated (defined as 70% or more of incumbents being men). This will impact on approximately 75% of women in the New Brunswick Civil Service. Job classes with less than 10 employees including one person classes may be assessed proactively or a job evaluation may be requested through a complaint mechanism to be developed after the proactive phase.

- The maximum annual adjustment for pay equity is set at 1% of the previous year's payroll. Such adjustments should continue for a period of four years. If pay equity has not been achieved, the time frame should be extended.

- After pay equity adjustments have been determined in the proactive phase, a complaint based phase should commence.

REPORT OF THE INTERDEPARTMENTAL COMMITTEE ON PAY EQUITY

I. 1 INTRODUCTION

As a follow-up to the "Agenda for Change", Premier McKenna established an Interdepartmental Committee to prepare a report and make recommendations regarding principles, definitions, and methods for implementing Pay Equity in Part I of the Public Service.

The Interdepartmental Committee is chaired by the Women's Directorate. Committee membership includes representatives from: Labour Relations, Board of Management; Compensation Branch, Board of Management; Research and Planning, Board of Management; Law Reform, Attorney General; Administration, Finance; Human Resources, Health and Community Services; Human Resources, Transportation; and Senior Management, Transportation.

In carrying out its mandate the Committee reviewed legislation and research on pay equity in other jurisdictions and gathered relevant background information on the New Brunswick situation. Officials from Manitoba, Prince Edward Island and Ontario, met with committee members. Other New Brunswick government officials were also invited to attend pay equity presentations.

I. 2 PURPOSE

Pay equity is a compensation practice which is intended to address the difference in women's and men's wages resulting from the historical division of labour in the paid work force and the undervaluation of women's jobs due to occupational segregation and wage discrimination.

Also known as equal pay for work of equal value, it is based on the principle that work performed by women which is equivalent in value to work performed by men in the same establishment should be paid the same, when non-gender-related factors which influence pay are taken into account.[1] Unlike "equal pay for equal work", pay equity involves the comparisons of dissimilar jobs to determine whether they are of equal value.

[1] Ontario Government, Green Paper on Pay Equity, 1985, p. 3.

The purpose of pay equity is to address that portion of the wage gap that is attributable to gender discrimination in the setting of wages. Several factors contribute to the wage gap between men's and women's earnings in addition to the undervaluation of traditionally female jobs. These non-gender factors include educational background, training, hours worked, rate of unionization, experience and so on. Pay equity is not intended to address general problems of low wages, perceived inequities between individual employees or the entire wage gap.

Pay equity is recognized as one of the measures which can be undertaken to achieve labour force equality. Other measures which are needed to achieve equality in employment for women include affirmative action/employment equity programs, training programs and quality, affordable child care.

I. 3 GUIDING PRINCIPLES

The following guiding principles have been developed by the Interdepartmental Committee to serve as a framework for the implementation of pay equity in Part I of the Public Service.

- Pay Equity is one of the measures which can be undertaken to achieve labour force equality. Pay Equity seeks to eliminate that portion of the wage gap between male and female earnings that is attributable to gender discrimination; to encourage the integration of women and men in all sectors of the labour force and to address the undervaluing of work traditionally performed by women.

- Pay equity is not intended to address general problems of low wages or perceived inequities between individual employees. Non-gender-related factors, such as seniority and experience, may influence the rate of pay.

- Pay equity adjustments are restricted to employees in female dominated occupations. All employees, male and female, in a female dominated occupation would be able to receive compensation adjustments. Such adjustments are not retroactive.

- Pay equity provides a means by which dissimilar jobs in the same establishment can be evaluated on the basis of skill, effort, responsibility and working conditions to determine if gender discrimination in wages exists. It is the jobs which are evaluated and not an individual's performance. The terms "equal pay for work of equal value", "equivalent value", "similar value" or "comparable value" can also be used to convey the intention of pay equity.

- The wages of employees cannot be reduced to achieve pay equity. Pay equity should not be achieved through red circling or wage freezes.

- The collective bargaining process must be respected in implementing pay equity. It is intended that pay equity be achieved by means of a negotiated process.

II. RECOMMENDATIONS

The following are the recommendations of the Interdepartmental Committee on Pay Equity.

II. 1 MEANS OF IMPLEMENTATION

Committee members met with officials from Manitoba, Ontario and Prince Edward Island. The Committee considered whether a policy or legislative approach should be used. A legislative approach was considered most appropriate because:

- A legislative approach has been used in all jurisdictions except Newfoundland which have or are implementing pay equity. These include: Canada, Quebec, Manitoba, Ontario, Prince Edward Island and Nova Scotia. Newfoundland is presently developing a policy approach to implement pay equity in the Civil Service.
- A legislative approach clearly demonstrates a strong commitment.
- The spirit of the equality provisions of the Canadian Charter of Rights and Freedoms may suggest the advisability of proceeding by way of legislation rather than policy.

RECOMMENDATION #1 (MEANS OF IMPLEMENTATION)

It is recommended that:

1. Pay equity be implemented in Part I of the New Brunswick Public Service through the enactment of pay equity legislation.
2. The recommendations 2 to 17 pertaining to definitions, methods, implementation, administration and timetable be contained in legislation.
3. The guiding principles are fundamental to the development of pay equity legislation.

II. 2 IMPLEMENTATION MODEL

There are three major models on which pay equity implementation may be based. These are:

1. Complaint Based Model: An individual employee or group of employees must lodge a complaint before pay equity is enforced (Federal, Quebec, Yukon);

2. Employer Initiated Model: A proactive approach in which employers are required to establish a plan to implement pay equity (Manitoba, Nova Scotia); and,

3. Integrated Model: A combination of the employer initiated and complaint based approaches, this model requires the employer initially to implement pay equity. After the proactive period is completed a complaint mechanism takes effect (Prince Edward Island and Ontario).

RECOMMENDATION #2 (IMPLEMENTATION MODEL)

It is recommended that an integrated model be established for the purpose of implementing pay equity in Part I of the New Brunswick Public Service. This would involve a proactive stage of implementation by the employer. Once the proactive period is completed a complaint based model would come into effect. During the complaint phase any non-unionized employee or group of employees or the bargaining agent representing an employee or group of employees for whom no determination or adjustment was made under the proactive stage may request an evaluation to determine if their job class is undervalued because it is a predominantly female job class.

II. 3 ESTABLISHMENT

Part I of the Public Service which was specifically designated in the Committee's mandate, is defined under the Public Service Labour Relations Act. The employer for Part I is defined under this Act as the Board of Management. There are approximately 13,015 employees in Part I.

RECOMMENDATION #3 (ESTABLISHMENT)

It is recommended that "establishment" mean all the "employees" of the departments and agencies listed in Part I of the First Schedule under the Public Service Labour Relations Act S.N.B. 1987, C.P. 25.

II. 4 EMPLOYEE

Pay Equity legislation requires a definition of "employee". For the most part, permanent or regular employees in the same establishment are considered for the purposes of pay equity. There are, however, categories of individuals who are not included under the definition. In other jurisdictions, these include: persons hired to conduct a temporary inquiry; patients or inmates of a provincial institution who help in the work; persons hired on a contractual basis; bonafide students employed in the summer; persons hired on job creation programs; or any person who is not a permanent employee. The inclusion of individuals employed on a casual basis varies. The Manitoba legislation and the Prince Edward Island bill include casuals. The Nova Scotia Act includes casuals after a specified period of continuous employment. Ontario legislation allows for the exclusion of casuals.

RECOMMENDATION #4 (EMPLOYEE)

It is recommended that the definition of "employee" be a person employed by the departments and agencies which constitute the establishment but does not include:

- a person not ordinarily required to work more than one-third of the normal period for persons doing similar work;
- a person employed on a casual or temporary basis, unless that person has been so employed for a continuous period of six months or more;
- a person employed to make or conduct a temporary or special inquiry, investigation or examination on behalf of the Legislative Assembly or the Government;
- a person who is a patient or inmate in a provincial institution and who helps in the work of the institution;
- a person paid by fees or hired on a special contractual basis or as an independent contractor;
- a student temporarily employed in the period from May to September in any year;
- a person hired through a job creation program or employment development program.

II. 5 ALLOWABLE EXCEPTIONS

Non-gender-related factors are recognized as influencing pay rates. Examples of these may include skills shortage, temporary training assignments, a seniority system, red circling and performance rating systems. These non-gender-related factors have been included in pay equity legislation as permissible exceptions for differences in compensation.

RECOMMENDATION #5 (ALLOWABLE EXCEPTIONS)

It is recommended that certain differences in compensation resulting from a seniority system or merit system, temporary training assignments, skills shortage and red circling be excluded in determining pay equity.

II. 6 GENDER PREDOMINANCE

Various methods have been developed to define gender predominance so that female dominated and male dominated jobs within the same establishment may be determined and then compared for the purposes of pay equity. Gender predominance may be considered to exist when a predefined percentage of the employees in a job class or in a series of job classes in the same establishment are of the same sex. Ontario, Prince Edward Island and Nova Scotia set 60% as the standard for determining female domination. Manitoba used a 70% standard.

Gender neutral job classes, classes in which neither females nor males predominate, are not directly affected by pay equity.

In certain cases, such as one person job classes, the percentage criterion alone may not be sufficient to determine gender predominance. Other criteria - historical incumbency and gender stereotyping of work would be used to determine the gender predominance of a job class. Historical incumbency refers to the gender of employees who have held a particular position within an establishment over time (past incumbents). Gender stereotyping goes beyond the experience of any one employer. It involves noting the gender of those who have or are perceived to have traditionally performed a particular kind of work.

Ontario and Prince Edward Island legislation refer to historical incumbency and gender stereotyping of work to determine the gender dominance of certain job classes.

RECOMMENDATION #6 (GENDER PREDOMINANCE)

It is recommended that for comparative purposes:

1. A female dominated class mean a job class where there are 10 or more incumbents of which 60% or more of the incumbents are women.

2. A male dominated class mean a job class where there are 10 or more incumbents of which 70% or more of the incumbents are men. The standard recommended for men (70%) will expedite the analysis required considerably, yet still provide an ample number of male dominated classes for comparison purposes with female dominated classes. This reflects the reality of the labour force in which men are found in more occupational categories than women.

3. Historical incumbency and gender stereotyping can be used to establish gender domination in cases where representation falls below the gender predominance standard or there are less than 10 employees in the job class. In such cases a class may be considered for pay equity purposes if, over the past ten years, the class has been gender dominated.

II. 7 JOB CLASS

The Public Service Labour Relations Act provides for the organization of employees into groups for the purposes of bargaining. The Act defines five occupational categories. Within each category, the employer is required to define occupational groups. The category and group organization also serves as the basis for the Employer's job classification system.

There are 27 occupational groups within five occupational categories in Part I. Each job class is allocated to an occupational group based on both the category and group definitions.

For the purposes of pay equity, gender predominance is determined through an analysis of jobs having similar job content with respect to duties, responsibilities and qualifications. In the jurisdictions which have introduced proactive legislation, job class is the most commonly used unit.

RECOMMENDATION #7 (JOB CLASS)

It is recommended that job class mean those positions in an establishment that have similar duties and responsibilities and require similar qualifications, and include those classes of a job class series having similar content but differing progressively in degree of difficulty, complexity and responsibility.

II. 8 CLASSES WITH FEWER THAN 10 EMPLOYEES

There are approximately 150 job classes in the New Brunswick Civil Service which are one person classes or have fewer than 10 employees. Less than 2.5% of female employees work in these classes. Such classes may be difficult to assess with respect to gender predominance because of the small numbers of employees in each class. This could lengthen the job evaluation process considerably.

The gender predominance standard recommended in this report, when applied to classes with 10 or more incumbents, would potentially benefit 75% of women employed in the Civil Service. Both Manitoba's and Nova Scotia's legislation restrict pay equity job evaluation to classes with 10 or more incumbents.

Classes with less than 10 employees could be assessed proactively at a later stage of the pay equity process. Failing a proactive assessment these individuals should be eligible to request a job evaluation through the complaint mechanism. This would expedite pay equity implementation for the vast majority of employees in predominantly female classes, while ensuring that potential beneficiaries are not excluded.

RECOMMENDATION #8 (CLASSES WITH FEWER THAN 10 EMPLOYEES)

> It is recommended that individuals in one person classes or in classes with less than 10 employees who have not been assessed in the proactive pay equity process be eligible to file a complaint after the determination of pay equity adjustments has been made.

II. 9 JOB EVALUATION SYSTEM

Job evaluation is a technique which enables the employer to determine the relative value of individual jobs or groups of jobs within the employer's organization (Appendix C: Job Evaluation Methods).

Job evaluation is one of the common features of all pay equity programs. Without job evaluation it is impossible to determine whether female jobs are of equal or comparable value to male jobs and consequently, whether they are being paid equitably.

Although jurisdictions with pay equity legislation define the term 'value', none of them impose one universal system of job evaluation. Selection of the job evaluation system is discussed in Section II. 11 "Collective Bargaining".

RECOMMENDATION #9 (VALUE)

> It is recommended that the criterion to be applied in assessing the value of work shall be the composite of the skill, effort and responsibility normally required in the performance of the work and the work conditions under which it is performed.

II. 10 PAY

The term "pay" needs to be defined for the purpose of pay equity. Some jurisdictions define pay in terms of wages and salaries only. Other jurisdictions including Manitoba, Ontario and Prince Edward Island define pay as including all forms of pay and benefits provided by the employer for the benefit of an employee.

Benefit packages in Part I of the New Brunswick Public Service are fairly standard and would not have a substantial impact on the determination of value. In the event that the pay equity process is extended beyond Part I of the Public Service consideration should be given to including the value of benefits in the definition of pay.

RECOMMENDATION #10 (PAY)

It is recommended that pay be defined as wages or salary of an employee.

II. 11 COLLECTIVE BARGAINING

Pay equity is generally achieved through a collective bargaining process. The parties to pay equity negotiations are generally the employer, bargaining agents and non-bargaining employee representatives. Negotiations take place separate and apart from the regular collective bargaining process and include:

1. selection of a job evaluation system;
2. comparison of gender predominant jobs;
3. determination of required adjustments.

This process of implementation is common to all proactive legislation. Variations occur with respect to whether a single job evaluation system is selected in each establishment; whether comparison of gender dominant jobs take place within or across bargaining units; whether management negotiates individually or jointly if there is more than one bargaining agent; and how pay equity adjustments are distributed.

In New Brunswick, the Public Service Labour Relations Act and Regulations provide for collective bargaining and associated procedures in the public service. Presently, there are 21 occupational groups which have been certified for collective bargaining in Part I of the Public Service. These groups are represented by six different bargaining agents (unions). A particular union may represent a number of different groups. Negotiations are conducted independently, however, resulting in separate collective agreements with varying expiry dates. This results in bargaining throughout the calendar year (Appendix D: Collective Bargaining Profile, Part I of the New Brunswick Public Service).

RECOMMENDATION #11 (IMPLEMENTATION: COLLECTIVE BARGAINING)

It is recommended that:

1. Implementation of pay equity be achieved through a collective bargaining process.

2. Negotiations take place separate and apart from the regular collective bargaining process.

3. Non-unionized employees have the right to elect representatives to represent their interests in negotiations with the employer.

4. Negotiations take place within a defined timetable and be carried on jointly among bargaining agents, non-unionized employee representatives and management to:

   Stage I — Select a single gender neutral job evaluation system and identify the gender dominant classes.

   Stage II — Compare female dominated jobs to male dominated jobs by applying the job evaluation system. The comparison would determine the classes affected, the quantum of the inequity, and the amount of pay equity adjustments to be allocated to each of the employee groups.

   Stage III — To finalize the pay adjustments to individuals, each bargaining agent and employee representative would negotiate with the employer individually.

Negotiations at each of Stages I, II, and III would result in a signed agreement, copies of which would be filed with the Pay Equity Bureau.

Should parties fail to reach an agreement, impasses would be resolved through binding arbitration.

II. 12 ADMINISTRATION

Most jurisdictions have or are proposing the establishment of an administrative mechanism. The administrative structures are directly related to the scope and extent of the pay equity programs, depending on whether the broader public sector (hospitals, schools, universities and crown corporations) and the private sector are included.

In Ontario, pay equity legislation covers the Civil Service, the broader Public Service and the private sector. A Pay Equity Commission was created, including a Pay Equity Office and a Pay Equity Hearings Tribunal. Administered by a commissioner, it oversees implementation, educational promotion and reports annually to the Minister of Labour.

Proposed public sector pay equity legislation in Prince Edward Island provides for the appointment of a Commissioner of Pay Equity and the creation of a small Pay Equity Bureau. Bill 35 outlines the educational, advisory, investigative and adjudicative roles of the Commissioner. Nova Scotia proposes to create a Pay Equity Commission with a Chairperson and Executive Director.

In Manitoba, a Pay Equity Commissioner was designated to oversee implementation in the Civil Service and Pay Equity Officers perform this role in each crown entity and external agency.

RECOMMENDATION #12 (ADMINISTRATION)

It is recommended that a Pay Equity Bureau be established in the Board of Management.

II. 13 ARBITRATION

In most pay equity legislation provision is made for binding arbitration if the parties cannot agree on a job evaluation system, on the quantum of inequity and required pay adjustments or on the orderly implementation of pay adjustments.

In Manitoba, should parties fail to reach agreement within the specified time period, impasses are resolved by the appointment of an arbitration board in the Civil Service and by referral to the Manitoba Labour Board for Crown entities and external agencies. To date, arbitration has not been required. In Prince Edward Island (Bill 35), disputes are to be resolved by reference to an arbitration board established under the Labour Act. In Nova Scotia, the Pay Equity Commissioner is empowered to resolve disputes. In all cases the determinations made by the arbitrator are final and binding.

In Ontario, a Pay Equity Hearings Tribunal will be the adjudicative forum should objections arise.

Binding arbitration, although provided for, has rarely been used to settle wage disputes in the New Brunswick Public Service. To expedite the pay equity process within specified time limits, binding arbitration is considered essential.

RECOMMENDATION #13 (ARBITRATION)

> It is recommended that should parties fail to reach agreement within the specified time limits, impasses be resolved by an arbitrator appointed by the Lieutenant-Governor in Council. The decision of the arbitrator will be binding.

II. 14 LIMITATIONS ON PAY EQUITY

To control costs, limitations are generally set on the amount of pay equity adjustments made annually and/or on the number of years over which pay equity payments are made. Manitoba limits adjustments to 1% of the previous year's payroll for a period of four years. Prince Edward Island includes a provision for an annual limit of 1% of the previous year's payroll until equity is achieved. In Nova Scotia, equity must be achieved in four years with no limitation on the amount of annual adjustments. In Ontario employers in the public sector must complete adjustments by January 1, 1995. This may result in some public sector pay equity adjustments exceeding the one per cent annual payout.

There has been some concern that time limits, in conjunction with caps on the amount of annual adjustments, could result in only partial achievement of pay equity. Both Manitoba and Minnesota successfully achieved pay equity while employing both types of limitations.

RECOMMENDATION #14 (LIMITATIONS)

It is recommended that in any 12 month period the employer allocate a maximum of 1% of each of the previous year's payroll for Part I for pay equity wage adjustments over a period of four years. Pay equity awards will commence once the stages of pay equity implementation outlined in the timetable have been completed. In the event that pay equity has not been achieved through the allocation of 1% of the payroll over 4 years, the time period should be extended.

II. 15 ACHIEVEMENT OF PAY EQUITY

All Pay Equity legislation reviewed includes provisions for determining when pay equity has been achieved and for delineating possible methods of achieving it.

Pay equity may be achieved by awarding adjustments to employees in undervalued predominantly female classes by increasing salaries through a variety of methods including:

- up to the minimum comparable male rate
- up to the average comparable male rate
- up to the maximum comparable male rate
- by a dollar or percentage amount to the difference between average male rates and average female rates.

RECOMMENDATION #15 (ACHIEVEMENT OF PAY EQUITY)

It is recommended that the employer has achieved pay equity for the proactive phase once the job evaluation system has been applied; the wage adjustments completed; and a structure to deal with complaints has been established. Wage adjustments are deemed to be complete when employees in undervalued female dominated classes receive adjustments which increase their pay rate to the average of the pay rate of the comparable male dominated class(es.)

II. 16 TIMING OF IMPLEMENTATION

In all jurisdictions, specific time frames have been legislated whereby the parties are required to reach agreement on pay equity.

Typically 9-12 months is allocated for reaching agreement on a gender neutral job evaluation system or plan. Another 12 months is generally set aside for the parties to apply the evaluation system or plan. In most cases, pay equity adjustments are awarded and payments commenced 2 to 3 years following the commencement of the process.

RECOMMENDATION #16 (TIMING)

It is recommended that the following timetable for implementing pay equity be adopted. It is based on the assumption that the administrative structure is in place. The timetable is consistent with the stages of negotiation outlined in recommendation # 11.

Stage I — 12 months after proclamation joint negotiations among management, bargaining agents and representatives of non-unionized employees are to be completed for a single gender neutral job evaluation system in Part I of the Public Service as well as the identification of gender dominant classes to which the system will apply.

Stage II — 12 months after Stage I the comparison of gender dominant classes, the determination of the amount of pay equity adjustments and the amount of adjustments to be allocated to each employee group should be completed by joint negotiations.

Stage III — 3 months after the allocation of the amounts of adjustment for each employee group the first payments to individuals must be made. To finalize pay equity adjustments, this stage would be achieved through independent negotiations between each employee group and the employer.

Should parties fail to reach an agreement, impasses would be resolved through binding arbitration within the specified time frames.

Recommendation #17 (Follow-up)

It is recommended that, if these recommendations are approved or amended, a working committee composed of some of the Interdepartmental Committee members elaborate any outstanding details.

III. 1 OVERVIEW OF IMPLEMENTATION SCHEDULE

- Pay equity legislation is drafted and enacted.
- An administrative mechanism is established.
- Implementation of pay equity in Part I of the Public Service commences with proclamation of the legislation.
- Implementation is achieved through a negotiated process which includes the employer, existing bargaining agents, and representative(s) of non-unionized employees. Negotiations are separate and apart from the regular collective bargaining process and involve all parties.
- The employer, bargaining agents and employee representatives have 12 months after the proclamation of the legislation to select a single gender neutral job evaluation system and identify the predominantly female and predominantly male job classes.
- After this procedure a maximum of 12 months is allowed to apply the job evaluation system and reach agreement on the allocation of dollars among the employee groups.
- The first pay equity adjustments to individuals would be made no later than 3 months after reaching agreement on the allocation of dollars.
- The maximum annual adjustment for pay equity is 1% of the previous year's payroll. Such adjustments should continue for a period of four years. If pay equity has not been achieved, the time frame should be extended.
- If the parties to the negotiations fail to reach an agreement, impasses are resolved within the specified time limits by an arbitrator appointed by the Lieutenant-Governor in Council.

III. 2 APPLICATION OF PROGRAM

- The program would cover all employees in Part I of the Public Service with such exceptions as: persons working less than one third of the normal period; casual or temporary employees unless employed for a continuous period of six months or more; persons on contract, paid by fees or conducting a special inquiry; summer students or persons hired through a job creation program.

- Differences in wages paid to male and female employees performing work of equal value are allowed if they are the result of a seniority or merit system, skills shortage or a temporary training position.

- The program would prohibit the reduction of any employee's wages to achieve pay equity.

- The program would apply to job classes with 10 or more employees that are female dominated (defined as 60% or more of incumbents being women) in comparison to classes with 10 or more employees that are male dominated (defined as 70% or more of incumbents being men). Job classes with less than 10 employees including one person classes may be assessed proactively or a job evaluation may be requested through a complaint mechanism to be developed after the proactive phase.

- The value of work performed in female dominated and male dominated classes would be determined by applying a selected job evaluation system that measures the composite of skill, effort, responsibility and working conditions.

- After pay equity adjustments have been determined in the proactive phase, a complaint based phase would commence.

IV. COSTS

Studies indicate that the average total wage adjustments to individuals have been in the range of $2,000 to $3,000 per person.

In the Manitoba Civil Service the average total wage adjustment per person was approximately $3,400. However, 8 per cent of individuals in predominantly female classes, mainly at the professional levels, were found not to be undervalued.

Based on this information, estimates of the costs of implementing pay equity in Part I of the New Brunswick Public Service have been calculated. Direct costs are associated with the actual wage adjustments (increases) that will go to employees in undervalued predominantly female job classes. Projections are based on the estimated number of employees who are likely to receive pay equity adjustments, multiplied by the estimated per person wage increase.

It is estimated that the direct costs of pay equity wage adjustments in Part I of the New Brunswick Public Service may range from 10 to 12 million dollars. As this estimate will be influenced by a number of factors such as the actual extent of wage discrimination and the rate of employment growth in Part I, it is at best, approximate.

Adjustment costs will not commence until after the determination of wage adjustments has been agreed upon by all parties, approximately 2 1/4 years after proclamation of the legislation. It is anticipated that adjustment costs will be spread over a period of four years. Annual adjustments would amount to approximately 3 million dollars which is consistent with an annual limitation of 1% of the previous year's payroll.

These estimates are based on the assumptions that:

1. the nature of wage discrimination in New Brunswick's Public Service is similar to Manitoba and other jurisdictions where average per person adjustments ranged from $2,000 to $3,000, and

2. the size of Part I of the New Brunswick Public Service will not increase significantly over the next four to six years.

3. These estimates do not include administrative costs, nor indirect costs due to maintaining non-gender-related pay relativities in Part I, nor the costs of maintaining each previous year's adjustment, nor the potential impact on Parts II and III.

V. CONCLUSION

In accordance with its mandate, the Interdepartmental Committee on Pay Equity has made recommendations for the implementation of pay equity in Part I of the New Brunswick Public Service.

It is anticipated that the implementation of pay equity in Part I will impact on Parts II and III of the Public Service as the Board of Management is the employer for these three parts. Once wage adjustments are determined for job classes in Part I, there may be demands for similar adjustments in comparable classes in Parts II and III. The regular collective bargaining process may be used to articulate these demands.

Legislation in Manitoba, Prince Edward Island (Bill 35) and Nova Scotia provides for the phasing-in of pay equity to the broader public sector. The first phase implements pay equity in the civil service. The second phase implements pay equity in the broader public sector, crown corporations and external agencies. Ontario legislation includes implementation in the private sector. Both Manitoba and Nova Scotia anticipate introducing legislation for the implementation of pay equity in the private sector as the final phase.

The Committee recommends that consideration be given to developing a schedule for the phasing-in of pay equity to Parts II and III of the New Brunswick public service. This recommendation is based on:

1. the anticipated implications of implementing pay equity in Part I of the Public Service on collective bargaining for Parts II and III;

2. Parts I, II and III have the same employer as defined under the Public Service Labour Relations Act; and,

3. the examples of other jurisdictions.

APPENDICES

Appendix A: Women in the New Brunswick Labour Force

Over the past 25 years, the size of New Brunswick female labour force has increased dramatically. In 1987, there were 137,000 women in the New Brunswick labour force compared to 54,000 in 1966. Women's participation rate increased from 38% in 1975, to 42.9% in 1982, to 48.9% in 1987. The rise in women's participation rates increased their share of the total provincial labour force from 35.9% in 1975 to 43.0% in 1987.

Between 1980 and 1987, 78.6% of the growth in the employed labour force resulted from the growth in the female employed labour force. This trend is expected to continue. (Source: Statistics Canada, Labour Force Survey, pub. no. 71-001).

(i) Occupational Segregation of Women

Despite the increase in women's participation rate, the majority of women in New Brunswick remain concentrated in clerical, sales and service occupations. In 1987, 63.1% of the female employed labour force* worked in those occupations compared to 26.0% of the male employed labour force. Almost 1/3 of all women workers are in clerical occupations. Although 28.6% of all women workers were employed in managerial/ professional occupations, many women in these occupations are in the traditional female fields of teaching and nursing. Men were more evenly distributed across all occupational groups and industries. (Source: Statistics Canada, Labour Force Survey, pub. no. 71-001).

(ii) Wage Gap

The "wage gap" is the indicator used to illustrate the extent to which women are paid less than men. In 1986, women in full-time employment in New Brunswick earned 64.9 cents for every $1.00 earned by men in full-time employment. (Source: Statistics Canada, Earnings of Men and Women, Table 2, 1986, pub. no. 13-217).

* The employed labour force refers to all full-time and part-time workers.

Appendix A (cont'd)

(iii) Historical Context

In 1960, New Brunswick enacted equal pay for equal work legislation. The Female Employees Fair Remuneration Act, which applied to women who performed the same work as men, was subsequently repealed in 1976. Until June, 1986, the principle of equal pay had been addressed in the general anti-discrimination in employment provisions of the Human Rights Act. In June, 1986, An Act to Amend the Employment Standards Act, S.N.B. 1986, c.32, gave a specific guarantee for equal pay for substantially the same work for New Brunswick women.

Every Canadian jurisdiction has some form of equal pay legislation. Current equal pay provisions apply to situations where men and women perform substantially the same job in the same establishment. The work must also be substantially the same, in terms of skill, effort, responsibility and working conditions.

Unlike equal pay for equal work, pay equity involves the comparison of dissimilar jobs to determine whether they are of equal value. Pay equity legislation is in effect in the federal jurisdiction, Quebec, Manitoba and Ontario. Both Prince Edward Island and Nova Scotia recently introduced Pay Equity Bills in their legislatures.

Appendix B: A Gender Profile of the New Brunswick Civil Service

A profile of the New Brunswick Civil Service based on a standard of 60% gender dominance for classes with 10 or more employees showed that there were 103 gender predominant classes as of January 1988 (Table 1). Of these, 23 classes were predominantly female employing 2594 women and 270 men. Approximately 75% of all women in the Civil Service work in these predominantly female classes, the majority of which are in the secretarial, clerical and health related occupations.

Appendix B (cont'd)

Table 1

New Brunswick Civil Service
Gender Predominance By
Classification Based on
a 60% Standard, January 1988

Class Type	Total Classes	# Women	# Men	% Women	% Men
Predom. Female (10 or more employees)	23	2594	270	74.4	4.7
Predom. Male (10 or more employees)	80	463	4818	13.3	82.5
Female One Member Class	10	10	0	0.3	0.0
Male One Member Class	41	0	41	0.0	1.0
Predom. Female (less than 10 employees)	18	72	4	2.1	0.1
Predom. Male (less than 10 employees)	78	20	357	0.6	6.2
Integrated	12	329	350	9.5	6.0
TOTAL	262	3488	5840	100.0*	100.0*

* rounded

Appendix B (cont'd)

Table 2

New Brunswick Civil Service
Gender Predominance By
Classification Based on
a 70% Standard, January 1988

Class Type	Total # Classes	# Women	# Men	% Women	% Men
Predom. Female (10 or more employees)	19	2303	78	66.1%	1.4%
Predom. Male (10 or more employees)	73	356	4625	10.3%	79.2%
Female One Member Class	10	10	0	0.3%	0.0%
Male One Member Class	41	0	41	0.0%	1.0%
Predom. Female (less than 10 employees)	17	72	4	2.1%	0.1%
Predom. Male (less than 10 employees)	74	13	345	0.4%	6.0%
Integrated	28	734	747	21.1%	12.8%
TOTAL	262	3488	5840	100.0*	100.0*

* rounded

Appendix C: Job Evaluation Methods

Ranking System

Job descriptions are written based on selected compensable factors. Whole jobs are then ranked from lowest to highest on the basis of importance to the organization or general difficulty.

Classification

Classification involves defining a number of job classes. Based on job descriptions, each job in the establishment is assigned to one of the classes and is then usually ranked within that class.

Factor Comparison

Compensable factors are weighted. Key jobs are then selected, valued according to the compensable factors, and a comparison scale is prepared. Other jobs are compared with the key jobs on a factor-by-factor basis and placed on the scale.

Points-rating

Under the points-rating system, jobs are divided into compensable factors and a point value is assigned to each factor as it exists in the job. Factors are then broken down into sub-factors and a total number of points is obtained for each job. Jobs which receive the same number of points have the same overall value and are compensated accordingly.

Appendix D: Collective Bargaining Profile: Part I of the New Brunswick Public Service

Broad occupational categories are composed of 27 occupational groups. Twenty-one of these occupational groups have been certified for collective bargaining. This table indicates the bargaining status of each group and the number of employees in each group. There are however a few employees in unionized groups with exclusions from bargaining because of managerial or confidential positions.

Table 3.1
Occupational Categories and Groups
and Bargaining Status

Occupational Category	Group/# of employees	Bargaining Status
Scientific and Professional 3,026 *	Medicine and Dentistry 127	Non-unionized
	Nursing 482	New Brunswick Nursing Union
	Field and Laboratory 78	Non-unionized
	Natural Resources 50	Non-unionized
	Planning and Resources 419	Non-unionized
	Education (Instructional) 667	New Brunswick Public Employees Association
	Education (non-instructional) 116	Association of New Brunswick Public Educators
	Engineering and Architecture 146	Professional Institute of the Public Service Canada
	Rehabilitation and Therapy 795	Canadian Union of Public Employees

* Indicates approximate number of permanent employees.

Appendix D (cont'd)

Table 3.2 (cont'd)
Occupational Categories and Groups
and Bargaining Status

Occupational Category	Group/# of employees	Bargaining Status
Scientific and Professional 3,026 *	Recreation and Culture 31	Canadian Union of Public Employees
	Agriculture 86	Professional Institute of the Public Service of Canada
	Veterinarian 29	Professional Institute of the Public Service of Canada

Table 3.3
Occupational Categories and Groups
and Bargaining Status

Occupational Category	Group/# of employees	Bargaining Status
Technical 1,008 *	Laboratory and Medical 24	New Brunswick Public Employees Association
	Engineering and Field 393	New Brunswick Public Employees Association
	Resource Services 338	New Brunswick Government Employees Association
	Technical Inspection 222	New Brunswick Public Employees Association
	Industrial Certification 31	non-unionized

* Indicates approximate number of permanent employees.

Appendix D (cont'd)

Table 3.4
Occupational Categories and Groups
and Bargaining Status

Occupational Category	Group/# of employees	Bargaining Status
Administrative 1,233 *	Administrative Services 1,233	Non-unionized

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Table 3.5
Occupational Categories and Groups
and Bargaining Status

Occupational Category	Group/# of employees	Bargaining Status
Administrative Support 3,110 *	Clerical and Regulatory 1,568	New Brunswick Public Employees Association
	Highway Patrol 87	New Brunswick Public Employees Association
	Secretarial, Steno and Typing 1,271	New Brunswick Public Employees Association
	Office, Data proc. and Duplication Equip. Operation 117	New Brunswick Public Employees Association
	Court Stenographers 67	Canadian Union of Public Employees

* Indicates approximate number of permanent employees.

Appendix D (cont'd)

Table 3.6
Occupational Categories and Groups
and Bargaining Status

Occupational Category	Group/# of employees	Bargaining Status
Operational 4,293 *	Institutional Services 1,256	Canadian Union of Public Employees
	Institutional Care 384	Canadian Union of Public Employees
	General Labour and Trades 2,519	Canadian Union of Public Employees
	General Labour and Trades (Supervisory) 134	New Brunswick Public Employees Association

* Indicates approximate number of permanent employees.

Table 3.7
Occupational Categories and Groups
and Bargaining Status

Occupational Category	Group/# of employees	Bargaining Status
Others *	Out of scope ** 337	non-unionized

* The Others Category includes exempted, non-bargaining employees as indicated under the Public Service Labour Relations Act, R.S.N.B. 1973, c. P-25.

** Out of scope category includes elected officials.